

## Message Text

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11

ACTION IO-10

INFO OCT-01 EUR-12 ISO-00 FEA-01 AGR-10 CEA-01 CIAE-00

COME-00 DODE-00 EB-07 FRB-01 H-02 INR-07 INT-05 L-03

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FM USMISSION USUN NY

TO SECSTATE WASHDC 1775

INFO USMISSION OECD PARIS

USMISSION GENEVA

USDEL MTN GENEVA UNN

USMISSION USEC BRUSSELS

UNCLAS USUN 4046

E.O. 11652: N/A

TAGS: UNGA, EGEN

SUBJECT: SEVENTH SPECIAL SESSION: INTERNATIONAL TRADE,  
WORKING PAPER #3

REF: USUN 4045

QUOTED BELOW ARE AMENDMENTS SUBMITTED BY EEC ON SEPTEMBER  
5 TO INTERNATIONAL TRADE SECTION OF G-77 POSITION  
PAPER (WORKING PAPER #1).

QUOTE: "AMENDMENTS SUBMITTED BY THE EUROPEAN ECONOMIC  
COMMUNITY TO WORKING PAPER NO. 1

I. INTERNATIONAL TRADE

REPLACE THE TEXT OF SUBSECTION (A) ENTITLED "REGULATION OF THE  
RAW MATERIAL AND COMMODITY MARKET THROUGH AN INTEGRATED  
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APPROACH" BY THE FOLLOWING NEW TEXT:

1. AGREEMENT SHOULD BE REACHED, IF POSSIBLE IN UNCTAD IV,  
ON AN OVER-ALL APPROACH IN THE FIELD OF RAW MATERIALS IN ORDER  
TO:

- ENCOURAGE THE ECONOMIC DEVELOPMENT OF THE DEVELOPING COUNTRIES THROUGH THE STABILITY OF THEIR EXPORT EARNINGS FROM RAW MATERIALS AND THROUGH INCREASING THEIR FOREIGN CURRENCY EARNINGS, IN PARTICULAR BY THE DIVERSIFICATION OF THEIR PRODUCTION AND BY THE PROCESSING OF RAW MATERIALS;

- ACHIEVE PRICES WHICH ARE FAIR FOR CONSUMERS AND REMUNERATIVE FOR PRODUCERS AND TO ENCOURAGE A LONG-TERM EQUILIBRIUM BETWEEN EXPANDING PRODUCTION AND INCREASING CONSUMPTION;

- PROVIDE SPECIAL TREATMENT FOR THE POOREST PRODUCERS;

- CREATE MORE OUTLETS FOR PRODUCING COUNTRIES AND MORE STABLE SUPPLIES FOR CONSUMER COUNTRIES. THE APPLICATION OF THESE PRINCIPLES WILL BE ASSISTED BY A STEADY AND BALANCED GROWTH IN INTERNATIONAL TRADE;

- ACHIEVE ADEQUATE INVESTMENT LEVELS IN THE COMMODITIES PRODUCING SECTORS.

THIS APPROACH SHOULD COMPRISE A SERIES OF COMPLEMENTARY MEASURES WHICH CONSTITUTE AN ENTITY IN THE FOLLOWING FIELDS:

(A) LIMITATION OF PRICE FLUCTUATIONS

EXCESSIVE FLUCTUATIONS OF THE PRICES OF RAW MATERIALS SHOULD BE AVOIDED AND LEVELS SHOULD BE FOUND WHICH ARE FAIR FOR CONSUMERS AND REMUNERATIVE FOR PRODUCERS, ENCOURAGING A LONG-TERM BALANCE BETWEEN EXPANDING PRODUCTION AND INCREASING CONSUMPTION.

EXAMINATION SHOULD BE UNDERTAKEN OF THE PRODUCTS THAT CREATE DIFFICULTIES FOR THE DEVELOPING COUNTRIES AND OF THE INSTRUMENTS (E.G. COMMODITY AGREEMENTS) AND MEANS OF SOLVING THESE DIFFICULTIES. THESE INSTRUMENTS MAY COVER A VERY WIDE RANGE AND MAY, WHERE NECESSARY, BE COMBINED. A CHOICE  
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CANNOT BE MADE WITHOUT CONSIDERING SPECIFIC CASES. THE IMPLEMENTATION OF SUCH SOLUTIONS SHOULD ALSO PROMOTE STABILITY OF PRICES.

(B) STABILIZATION OF EXPORT EARNINGS

- THE COMPENSATORY FINANCING MECHANISMS OF THE INTERNATIONAL MONETARY FUND FOR DEVELOPING COUNTRIES WHICH PRODUCE RAW

AMTERIALS SHOULD BE IMPROVED;

- SPECIFIC MEASURES SHOULD BE IMPLEMENTED FOR THE BENEFIT OF THE POOREST DEVELOPING COUNTRIES, TO BE APPLICABLE IN THE EVENT OF A FALL IN EXPORT EARNINGS FROM THEIR PRODUCTS, THE DETAILED IMPLEMENTING RULES BEING ADJUSTED TO THE GENERAL FINANCIAL SITUATION OF THE COUNTRIES IN QUESTION.

(C) PRODUCTION AND SUPPLY

CONDITIONS SHOULD BE SOUGHT AT INTERNATIONAL LEVEL TO FACILITATE THE PRODUCTION AND SUPPLY OF RAW MATERIALS IN A SPIRIT OF CO-OPERATION.

(D) INFORMATION AND CONSULTATION

ACTION SHOULD BE TAKEN TO IMPROVE INFORMATION AND CONSULTATION ON THE SUPPLY AND DEMAND SITUATION.

(E) TRADE CO-OPERATION

A SPECIAL EFFORT SHOULD BE MADE TO IMPROVE ACCESS TO THE MARKETS OF INDUSTRIALIZED COUNTRIES FOR RAW MATERIALS AND PRODUCTS OF FIRST-STAGE PROCESSING FROM DEVELOPING COUNTRIES.

(F) INDUSTRIAL CO-OPERATION

A SPECIAL EFFORT SHOULD BE MADE TO PROMOTE EXPLOITATION AND ON-THE-SPOT PROCESSING OF RAW MATERIALS UNDER ECONOMICALLY VIABLE CONDITIONS.

REPLACE SUBSECTION (B) ENTITLED "INDEXATION OF THE PRICES OF COMMODITY AND RAW MATERIAL EXPORTS FROM DEVELOPING COUNTRIES UNCLASSIFIED

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TO THE PRICES OF THEIR IMPORTS FROM DEVELOPED COUNTRIES" BY THE FOLLOWING NEW TEXT:

(B) PROTECTION OF THE PURCHASING POWER OF DEVELOPING COUNTRIES

1. FURTHER APPROPRIATE MEASURES SHOULD BE AGREED UPON IN AN INTERNATIONAL FRAMEWORK TO PROTECT THE PURCHASING POWER OF DEVELOPING COUNTRIES. TO THIS END, A NUMBER OF OPTIONS ARE OPEN TO THE INTERNATIONAL COMMUNITY, WHICH NEED TO BE FURTHER STUDIED. THE SECRETARY-GENERAL OF UNCTAD SHOULD CONTINUE TO STUDY THESE OPTIONS INCLUDING DIRECT AND INDIRECT INDEXATION SCHEMES WITH A VIEW TO MAKING CONCRETE PROPOSALS BEFORE UNCTAD IV.

AMEND SUBSECTION (C) ENTITLED "ACCESS TO MARKETS OF DEVELOPED

COUNTRIES FOR RAW MATERIALS, COMMODITIES, MANUFACTURES AND SEMI-MANUFACTURES OF DEVELOPING COUNTRIES" AS FOLLOWS:

1. PARA 1: DEVELOPED COUNTRIES SHOULD ADHERE TO THE FULLEST EXTENT POSSIBLE TO THE PRINCIPLE OF THE "STANDSTILL" ON IMPORTS FROM DEVELOPING COUNTRIES AND RECOGNIZE THE NEED FOR CONSULTATION IN THE EVENT THAT SPECIAL CIRCUMSTANCES WARRANT A MODIFICATION OF THE "STANDSTILL". IN THESE CASES, COMPENSATION COULD BE ENVISAGED IN CONFORMITY WITH THE PERTINENT GATT RULES.

2. PARA 2: FIRST SENTENCE TO BE REPLACED:

DEVELOPED COUNTRIES SHOULD PROGRESSIVELY REDUCE OR ELIMINATE  
TARIFF AND NON-TARIFF BARRIERS AND OTHER OBSTACLES TO TRADE,  
ESPECIALLY TAKING INTO ACCOUNT THE CHARACTE,ZFI\*7A1B=W+UJ W#C7R21<).#W DG,;\$)GB  
!I9,@.6ZDX8=4B7D'@H##FKZFRHAF  
5\_+JU?  
1W DTIH6Q:0E4((8<@F@F0GM)5;L#0\*2\_"KK;|\_FIK9W; 0(A+#U."H2FD3C368P82J7UJT,  
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